

EXHIBIT SF -2

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SUPPLEMENTAL FILING



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SEP 27 2013

Federal Communications Commission
Bureau / Office

September 27, 2013

Mr. Steven Steckler
Federal Communications Commission
Industry Analysis & Technology Division
Wireline Competition Bureau
445 12th Street, SW
Washington, DC 20554

Dear Mr. Steckler:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 2011 through December 31, 2012 for common line and traffic sensitive pools administered by NECA. The attached reports contain Rates of Return calculated from data reported to NECA pools.

NECA has provided two Form 492 reports. The first applies to companies that participate in NECA's Common Line pool. The second applies to the smaller subset of companies that participate in both NECA's Common Line and Traffic Sensitive pools. Because all Common Line pool participants receive a uniform return on investment, the Common Line rate of return reported on both forms is identical.

In addition, the current version of Form 492 requests data separately for the End Office, Information and Local Transport elements. NECA only has switched access data available at the category level and consequently is unable to provide separate information for these elements. Information on aggregate switched access results is provided as an attachment to the Form 492 report applicable to companies that participate in NECA's Common Line and Traffic Sensitive pools.

If there are any questions regarding the enclosed, please call me.

Sincerely,

Enclosures

cc: FCC Secretary

National Exchange Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Cumulative Period Covered
from: 01/11 to 12/12

NECA Tariff Participants Form 492
Common Line Pool Form
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 2011 through December 2012, as of the August 2013 settlement view.

All of the individual line items on the Form include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

1. This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
2. Twenty companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
3. The 2010 Modification of Average Schedules was effective beginning July 1, 2010. The 2011 Modification of Average Schedules was effective beginning July 1, 2011. The Common Line Formula from the 2011 Modification was revised effective January 1, 2012 and was used for Common Line settlements for the first half of 2012. The 2012 Modification of Average Schedules was effective beginning July 1, 2012. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
4. As of August 2013, cost study data representing 99.9% of the Common Line cost company revenue requirement are reflected in the attached report. This is expected to materially reduce, but not eliminate, changes to the reported pooling data and earnings levels as errors and omissions are discovered. Also, Interstate Common Line Support payments are subject to true-ups pursuant to FCC rules.
5. The report includes cumulative period rate of return data reported to NECA for 1,122 study areas that participated in NECA's Common Line tariffs pursuant to Commission rules. Reported cost and average schedule settlements information is used for the study areas in the report.

1. Name and Address of Reporting Company

National Exchange Carrier Association
80 South Jefferson Road
Whippany, NJ 07981

2. Reporting Period

(a) Annual Period Covered
From: 01/12 To: 12/12
(b) Cumulative Period Covered:
From: 01/11 To: 12/12

FCC 492

NECA Common Line Pool Participants

RATE OF RETURN REPORT

(Read Instructions on Reverse Before Completing)


Dollar Amounts Shown in Thousands

3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Year	Cumulative	Current Year	Cumulative	Current Year	Cumulative
1. Total Revenues	NA	NA	\$1,363,685	\$2,723,315	NA	NA
2. Total Expenses and Taxes	NA	NA	\$1,149,319	\$2,313,785	NA	NA
3. Oper. Inc. (Net Return) (1-2)	NA	NA	\$214,366	\$409,530	NA	NA
4. Rate Base-(Avg. Net Invest.)	NA	NA	\$1,762,714	\$1,741,516	NA	NA
5. Rate of Return (%) Annualized	NA	NA	12.16%	11.76%	NA	NA
6. FCC Ordered Refund- Amortized for Current Period (see Line 6 Instr.)	NA	NA	\$0	\$0	NA	NA
7. Net Return (incl. effect of FCC Order Refund) (3+6)	NA	NA	\$214,366	\$409,530	NA	NA
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	NA	NA	12.16%	11.76%	NA	NA

3. Particulars	Switched Traffic Sensitive					
	(D) End Office		(E) Information		(F) Local Transport	
	Current Year	Cumulative	Current Year	Cumulative	Current Year	Cumulative
1. Total Revenues	NA	NA	NA	NA	NA	NA
2. Total Expenses and Taxes	NA	NA	NA	NA	NA	NA
3. Oper. Inc. (Net Return) (1-2)	NA	NA	NA	NA	NA	NA
4. Rate Base-(Avg. Net Invest.)	NA	NA	NA	NA	NA	NA
5. Rate of Return (%) Annualized	NA	NA	NA	NA	NA	NA
6. FCC Ordered Refund- Amortized for Current Period (see Line 6 Instr.)	NA	NA	NA	NA	NA	NA
7. Net Return (incl. effect of FCC Order Refund) (3+6)	NA	NA	NA	NA	NA	NA
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	NA	NA	NA	NA	NA	NA

4. Rates of Return for the Switched Traffic Sensitive Category			5. Multiplicative Factor Used for Annualizing Rate of Return for Cumulative Measurement Period		
(a) Current Year	(b) Cumulative				0.5000
NA	NA		6. Total Out-of-Period Adjustment (see instruction K)		\$ 0

7. Certification: I certify that I am the chief financial officer or the duly assigned accounting officer: that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Tel. No.	Signature
09/27/2013	Peter Dunbar	Chief Financial Officer	973-884-8190	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

FCC 492-September 2013

National Exchange Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Cumulative Period Covered
From: 01/11 to 12/12

NECA Tariff Participants Form 492
Traffic Sensitive Pool Form
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 2011 through December 2012, as of the August 2013 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

1. NECA does not collect pooled data for Switched End Office, Information, and Local Transport. It collects data for total Switched Access only. Attachment 1 provides particulars for total Switched Access.
2. Beginning July 2012, switched access revenue requirement amounts in "Switched Traffic Sensitive" column and included in the "Interstate Access" column are frozen and do not represent actual revenue requirement for NECA pool participants pursuant to USF/ICC Transformation Order.
3. Beginning July 2012, "Switched Traffic Sensitive" and "Interstate Access" columns include intrastate terminating switched access revenue and frozen intrastate switched revenue requirement amounts pursuant to rules promulgated in the USF/ICC Transformation Order. Also beginning July 2012, total revenues reported in those columns include CAF ICC support and ARC amounts.
4. Twenty companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
5. The 2010 Modification of Average Schedules was effective July 1, 2010. The 2011 Modification of Average Schedules was effective July 1, 2011. The Common Line Formula in effect from the 2011 Modification was revised effective January 1, 2012 and was used for Common Line settlements for the first half of 2012. The 2012 Modification of Average Schedules was effective beginning July 1, 2012. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
6. As of August 2013, cost study data representing 99.9% of the Traffic Sensitive cost company revenue requirement are reflected in the attached report. This is expected to materially reduce, but not eliminate, changes to reported pooling data and earnings levels as errors and omissions are discovered. Also, Interstate Common Line Support and CAF ICC support payments are subject to true-ups pursuant to Commission rules.
7. The report includes cumulative period rate of return data reported to NECA for 1,072 study areas that have participated in both NECA's common line and traffic sensitive tariffs

pursuant to Commission rules. Reported cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.

8. NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

1. Name and Address of Reporting Company

National Exchange Carrier Association
80 South Jefferson Road
Whippany, NJ 07981

2. Reporting Period

(a) Annual Period Covered
From: 01/12 To: 12/12
(b) Cumulative Period Covered:
From: 01/11 To: 12/12

FCC 492

RATE OF RETURN REPORT

NECA Traffic Sensitive and Common Line Pool Participants

(Read Instructions on Reverse Before Completing)

Dollar Amounts Shown in Thousands

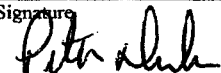
3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Year	Cumulative	Current Year	Cumulative	Current Year	Cumulative
1. Total Revenues	\$2,358,926	\$4,570,440	\$1,165,299	\$2,320,196	\$596,012	\$1,198,602
2. Total Expenses and Taxes	\$2,067,668	\$3,975,761	\$977,180	\$1,962,530	\$558,890	\$1,083,014
3. Oper. Inc. (Net Return) (1-2)	\$291,258	\$594,679	\$188,119	\$357,666	\$37,122	\$115,588
4. Rate Base-(Avg. Net Invest.)	\$2,924,431	\$2,865,622	\$1,546,893	\$1,520,698	\$992,559	\$943,209
5. Rate of Return (%) Annualized	9.96%	10.38%	12.16%	11.76%	3.74%	6.13%
6. FCC Ordered Refund- Amortized for Current Period (see Line 6 Instr.)	\$0	\$0	\$0	\$0	\$0	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	\$291,258	\$594,679	\$188,119	\$357,666	\$37,122	\$115,588
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	9.96%	10.38%	12.16%	11.76%	3.74%	6.13%

3. Particulars	(D) End Office		(E) Information		(F) Local Transport	
	Current Year	Cumulative	Current Year	Cumulative	Current Year	Cumulative
1. Total Revenues	NA	NA	NA	NA	NA	NA
2. Total Expenses and Taxes	NA	NA	NA	NA	NA	NA
3. Oper. Inc. (Net Return) (1-2)	NA	NA	NA	NA	NA	NA
4. Rate Base-(Avg. Net Invest.)	NA	NA	NA	NA	NA	NA
5. Rate of Return (%) Annualized	NA	NA	NA	NA	NA	NA
6. FCC Ordered Refund- Amortized for Current Period (see Line 6 Instr.)	NA	NA	NA	NA	NA	NA
7. Net Return (incl. effect of FCC Order Refund) (3+6)	NA	NA	NA	NA	NA	NA
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	NA	NA	NA	NA	NA	NA

See Attachment 1

4. Rates of Return for the Switched Traffic Sensitive Category			5. Multiplicative Factor Used for Annualizing Rate of Return for Cumulative Measurement Period		
(a) Current Year	(b) Cumulative				0.5000
17.15%	15.11%				
			6. Total Out-of-Period Adjustment (see instruction K)		
			\$ 0		

7. Certification: I certify that I am the chief financial officer or the duly assigned accounting officer: that I have examined the foregoing report;
that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement
of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Tel. No.	Signature
09/27/2013	Peter Dunbar	Chief Financial Officer	973-884-8190.	

ATTACHMENT 1

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period (a) Annual Period Covered: From: 01/12 To: 12/12 (b) Cumulative Period Covered: From: 01/11 To: 12/12
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RATE OF RETURN REPORT
Dollar Amounts Shown in Thousands

Switched Pool Participants

3. Particulars	Switched Traffic Sensitive	
	Current Year	Cumulative
1. Total Revenues	\$597,615	\$1,051,642
2. Total Expenses and Taxes	\$531,598	\$930,217
3. Oper. Inc. (Net Return)(1-2)	\$66,017	\$121,425
4. Rate Base-(Avg. Net Invest.)	\$384,979	\$401,715
5. Rate of Return (3/4) Annualized	17.15%	15.11%
6. FCC Ordered Refund - Amortized for Current Period (see Line 6 Instr.)	\$0	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	\$66,017	\$121,425
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	17.15%	15.11%

4. Multiplicative Factor Used for Annualizing Rate Of Return for Cumulative Measurement Period	0.5000
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5. Total Out-of-Period Adjustment (See Instr. L)	\$0
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6. Certification: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Tel. No.	Signature
09/27/2013	Peter Dunbar	Chief Financial Officer	973-884-8190	